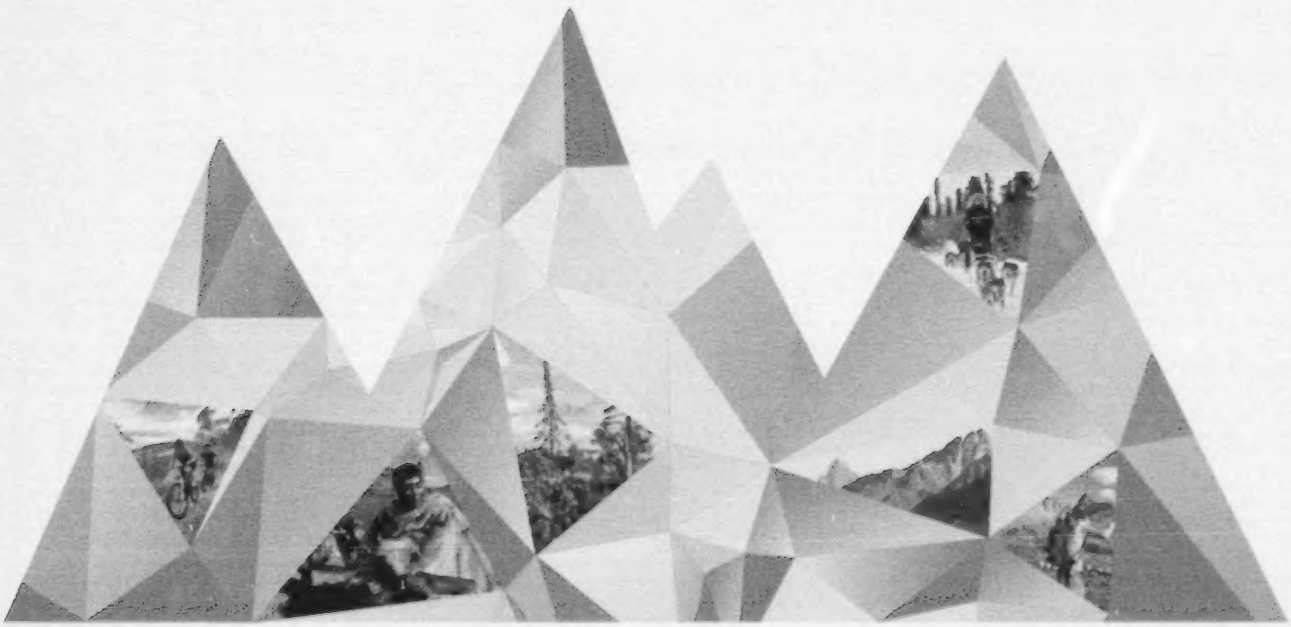
YUKON ECONOMIC OUTLOOK

APRIL 2017



Yukon
Finance

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ECONOMIC FORECASTING AND RISK

The forecast discussed in this document, examines medium term expectations for Yukon's economy, focusing on the anticipated performance of key economic indicators and sectors. As with all forecasts, the results are dependent on the information available at the time the forecast was completed and the key assumptions incorporated into the forecast. Assumptions such as the level and timing of mining development activity, estimates around annual mineral production and estimates around construction spending can all impact the forecast results, particularly for an economy as small as that of Yukon.

While best efforts are made to develop assumptions that capture Yukon's potential economic performance in the near term, there is always a degree of risk and uncertainty associated with these assumptions, and ultimately the forecast results. For a more detailed discussion of key assumptions and risks, please refer to the last section.

THE WORLD IN BRIEF

The Road to Recovery

Elevated levels of public and private debt, an aging population and political uncertainty in a number of countries continues to weigh on the near term outlook for global economic growth.

While the current outlook is clouded by uncertainty around U.S. policy under the new administration, the International Monetary Fund (IMF) is projecting stronger near term global growth. Following estimated growth of 3.1% in 2016, the IMF's January 2017 update[1] to the World Economic Outlook includes projections of growth of 3.4% in 2017 and growth of 3.6% in 2018. The forecast is unchanged from the IMF's October 2016 Outlook, but the update did note that key assumptions of the forecast should be clearer in the April 2017 World Economic Outlook*, specifically noting the expectation of more clarity around policies of the new U.S. administration.

Growth in emerging markets and developing economies[2] is expected to continue to drive global growth projections with the IMF growth forecasts of 4.5% in 2017 and 4.8% in 2018, building on estimated growth of 4.1% in 2016. While remaining strong, growth prospects have marginally worsened for many of the economies in question due to tightening financial conditions.

China's economy remains in a period of transition, moving from an economy supported substantially through manufacturing activities and large scale industrial development to development of services and retail in support of its domestic demand. Even with a recent slowdown, China (along with India) will continue to lead the way for emerging market countries. Following estimated growth of 6.7% in 2016, China's economy is expected to grow 6.5% and 6.0% over the next two years. India's growth is forecast to be even stronger with growth of 6.8% in 2016, followed by growth of 7.2% and 7.7% in 2017 and 2018, respectively.

Following growth of 1.7% in 2016, advanced economies are forecast to grow by 1.9% and 2.0% annually over the next two years. The near term outlook for advanced economies has improved, reflecting stronger activity in the last six months of 2016 as well as the expectation of U.S. stimulus spending.

*Not released at time of writing.

U.S. growth is expected to be the prominent driver of growth in advanced economies with U.S. growth rates in both 2017 (2.3%) and 2018 (2.5%) exceeding the overall growth rates of advanced economies. Strong growth forecasts for the U.S. are related to the assumption of fiscal stimulus in the form of reduced taxes and increased infrastructure spending. The IMF's January update does note that the U.S. outlook has a wide range of possible scenarios given uncertainties surrounding future policy choices of the new U.S. administration.[3]

The Canadian economy continues to adjust to lower oil prices and a generally weaker global economy. Canada's estimated GDP growth of 0.9% in 2015 was the worst performance since a contraction of 3.2% in 2009. Growth in 2016 was only marginally stronger, estimated at 1.4%.

Much of recent performance is related to weaker commodity prices, particularly the price of oil, which has declined significantly in the last 18-20 months as a result of oversupply in the global market, falling below $30 per barrel in early 2016. Prices for many key mineral exports are also down substantially from recent levels which has contributed to mine closures, layoffs, reduction in mineral exports and lower levels of investment in Canada's mining sector. The IMF's January 2017 update includes forecasts of stronger Canadian growth of 1.9% and 2.0% in 2017 and 2018, respectively.

Growth forecasts from the Bank of Canada are very similar to that of the IMF. The January 2017 *Monetary Policy Report** notes that Canada's GDP will grow by 2.1% in both 2017 and 2018. The Bank notes that the Canadian economy continues to adjust to past declines in commodity prices with the worst appearing to be over for resource-related industries.

At the same time, investment and employment are being reallocated to other sectors of the economy which are growing, in particular the service sector.[4] Like the IMF, the Bank of Canada notes that the current outlook is subject to considerable uncertainty, given the unknowns around policy actions by the incoming U.S. administration, particularly concerning trade.[5]

Resource extraction activities continue to be a significant contributor to Canada's economy, and the performance of commodity prices will have a significant impact on growth prospects for the country. Recent modest GDP growth is very much related to weakness in oil and natural gas prices, as well as lower prices for a number of prominent metals, including gold and silver. Lower prices for these key commodities, particularly for oil, have resulted in far lower levels of investment in the resource sector and lower levels of mineral and oil exports, negatively impacting the value of Canada's economy.

While the outlook remains uncertain for gold and silver, the outlook for oil and natural gas prices is generally positive. At the time of writing, the World Bank was calling for oil prices to average US$55 per barrel in 2017, up from US$42.80 in 2016.[6] While expected to remain well below recent record highs, the current outlook from the World Bank was for oil prices to increase in every year, reaching US$80 per barrel by 2030.

The World Bank notes a very similar story for natural gas, with prices expected to average US$3.00 per MMBTU[7] (Henry Hub) in 2017, up from US$2.50 per MMBTU in 2016. The World Bank is projecting the price of natural gas will grow annually, eventually reaching $5.00 per MMBTU in 2030.[8]

Future growth prospects for Canada are also tied to interest rates. The overnight rate has rested at 1.0% or lower since September 2010. At its rate announcement on January 18, 2017, the Bank of Canada opted to continue to keep the cost of borrowing low, maintaining the overnight rate at 0.5%, a level it has been at since July 2015. Canadian interest rates are expected to remain low throughout 2017, before increasing in 2018, but remaining at relatively low rates.

*April 2017 Monetary Policy Report not released at time of writing.

Outlook for Global, U.S. and Canadian Economies: IMF January 2017

- Global Growth: 3.4% (2017) and 3.6% (2018).
- U.S. Growth: 2.3% (2017) and 2.5% (2018).
- Canadian Growth: 1.9% (2017) and 2.0% (2018).

A CLOSER LOOK AT YUKON

Signs of strength in the economy, despite flat GDP growth

GDP to remain flat, then regain ground

Gross Domestic Product (GDP) is a widely used measurement of the economic performance of a region. GDP represents the market value of final goods and services produced within a defined region (e.g., country, province, territory) over a specified period of time (usually over the course of a year).

While an imperfect measure of economic progress, an increase in real GDP is generally interpreted as a sign that the economy is doing well, while a decrease indicates that the economy is under-performing. In many jurisdictions, gains in real GDP are closely tied to gains in other variables such as employment, population, and retail sales. In Yukon, correlation between GDP changes and other indicators is often not as strong.

Revised data released by Statistics Canada in November 2016 estimates that Yukon's real GDP by industry in 2015[3] contracted by 6.0% to $2.193 billion. This was the second consecutive year that real GDP fell after a modest decline of 0.2% in 2014.

2016 Highlights

- Real GDP by industry in 2016 is estimated at $2.295 billion, up 4.6% from $2.193 billion in 2015.
- Growth in 2016 follows two consecutive years of GDP contraction, and is primarily related to increased mineral production at the Minto mine.
- 2016 population of 37,858 was up 1.4% from 2015 – 13 straight years of growth.
- Labour market continued to perform well in 2016:
  - Average employment 20,200, up 800.
  - Labour force averaged 21,400, up 700.
  - Unemployment rate averaged 5.6% - the lowest in the country.
- Retail sales reported at over $740 million, up 7.0% from $692 million.
- A good year for tourism, with international travellers reported up 3.5%.
- At nearly $171 million, the value of building permits in 2016 was up 45.1% – mostly related to government and institutional projects.
- Consumer Price Index (CPI) for Whitehorse increased 1.0% in 2016, following a contraction of 0.2% in 2015.

2017 Highlights

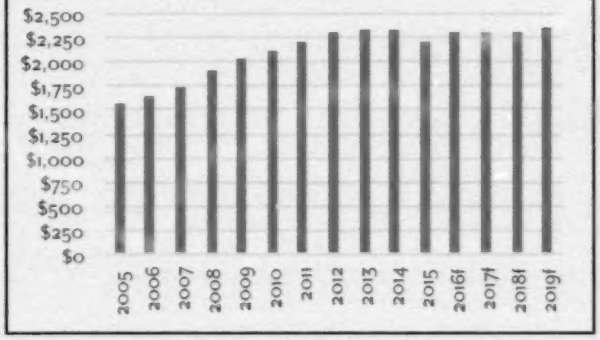
- Real GDP in 2017 is forecast to remain flat at 0.1% over 2016, with lower production from the Minto mine offset by increased government investment.
- Population will continue to increase by 1.4%, growing to almost 38,400.
- The number of employed Yukoners and the size of the labour force are both expected to increase to 20,600 and 21,900, respectively.
- The unemployment rate in 2017 is expected to rise slightly to 5.7%.
- Following strong gains in 2016, retail sales are expected to remain strong in 2017, growing about 5% to $777 million.
- Indications are that 2017 will be another positive year for Yukon's tourism sector.
- Stronger growth in the Whitehorse CPI, expected to be up 1.9% in 2017.

Prior to 2014, Yukon's real GDP had recorded 10 consecutive years of growth, after revisions to 2013 GDP numbers by Statistics Canada which saw Yukon's annual GDP change revised from a 1.2% contraction to 1.5% growth.

Yukon's contraction of 6.0% represented the lowest performance of all the provinces and territories with Saskatchewan (-1.3%), Newfoundland and Labrador (-1.8%) and Alberta (-3.7%) also posting contractions in 2015.

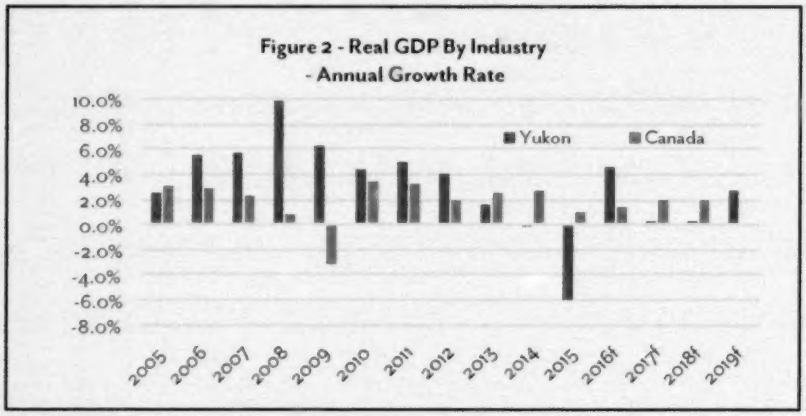
The primary driver of the 2015 decline was weakness in the mining sector, which included the suspension of production of the Wolverine mine in January 2015. A 42%, or $198 million, decline in the mining, quarrying and oil and gas extraction component of GDP was noted in 2015 and was the primary contributor to the annual decline in total industry GDP.

Figure 1 - Real GDP By Industry (2007$ millions)



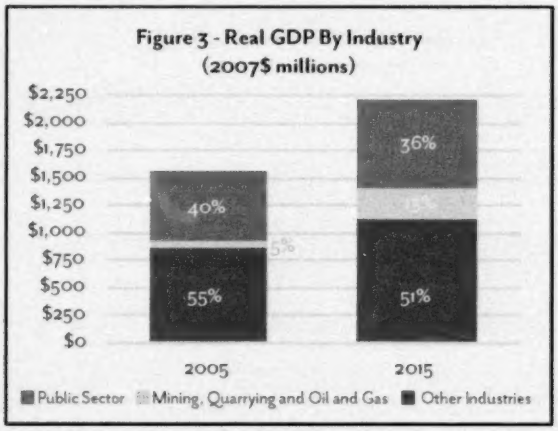
Source: Department of Finance; Statistics Canada

Recent history has seen the percentage contribution of mining in excess of 20% annually, averaging about 22% from 2012/14. While down from recent highs, Figure 3[10] illustrates that the current contribution of mining related activities still remains well above estimates from a decade ago. At almost 13% of total real GDP, the 2015 contribution of mining, quarrying and oil & gas extraction is more than double the contribution of 5.2% noted in 2005.



Source: Department of Finance; Statistics Canada; IMF

Declines in the mining component in 2015 were partially countered by GDP gains in other industries. Supported by a tight rental market and a strong housing market, the finance, insurance, real estate, rental and leasing component grew for the 13th straight year, up 2.6% to $391 million, and is projected to continue to grow throughout the forecast horizon. Notable growth was also recorded in professional, scientific and managerial component, growing to $108 million, up 5.3% from 2014; growth is expected to continue through 2019. GDP contribution from health and social services also posted an increase of $5 million to $180 million, up 3.1% from 2014.



Source: Department of Finance; Statistics Canada

Most industries are estimated to have experienced GDP growth in 2016, with the largest change related to increased mineral production with development of the Minto North pit. Of the estimated increase of $100 million in real GDP in 2016, more than 70% is associated with an increase in the mining, quarrying and oil &

Beyond 2017

- GDP expected to contract remain essentially flat at 0.2% for 2018, as a result of the closure of the Minto mine at the end of 2017 offset by government investment.
- Development spending for two new mines (Eagle Gold, Coffee) and the start of production from the Eagle Gold mine expected to drive real GDP growth of 2.6% for 2019.
- Steady population growth to continue with gains of 1.1% in 2018 and 1.4% in 2019.
- Strength in labour market expected to continue, with growth in employment and the labour force, with the unemployment rate expected to remain relatively low.
- Growth in retail sales anticipated in the medium term, increasing to exceed $790 million in 2018 and nearing $820 million in 2019.
- Continued growth in the Whitehorse CPI, averaging 1.8% over 2018 and 2019.

gas extraction component. Construction also saw significant gains with growth of 7.7%. Overall, real GDP growth is estimated at 4.6% in 2016, higher than the May 2016 forecast of 2.8%. Preliminary GDP numbers for 2016 will be released by Statistics Canada in early May.

Looking forward, Yukon's GDP performance in the medium term remains very much linked to the performance of Yukon's mining sector. For 2017, mineral production is expected to be stronger than noted in the May forecast as Capstone Mining Corp. has stated that its Minto mine will now likely mill until the end of the year. On an industry basis, construction-related real GDP is forecast to be up 13.6%, increasing to $207 million in 2017. As a result, real GDP is now expected to increase slightly by 0.1%, a substantial improvement from the May 2016 forecast (-5.7%).

GDP is expected to remain essentially flat in 2018 at +0.2%, primarily the result of lower mineral production due to the anticipated closure of the Minto mine at the end of 2017, offset by government investment. The expected start of development activities at the Eagle Gold mine will counter some of the drag on Yukon's GDP in 2018, which (together with increased government investment) will offset the effect of a year-over-year decline in mineral production.

For 2019, further development spending on the Eagle Gold project, the start of development spending on the Coffee project and the start of Eagle Gold mine production are the largest contributors to forecasted real GDP growth of 2.6%, with most industries expected to continue expansion in 2019.

Outlook for GDP

GDP

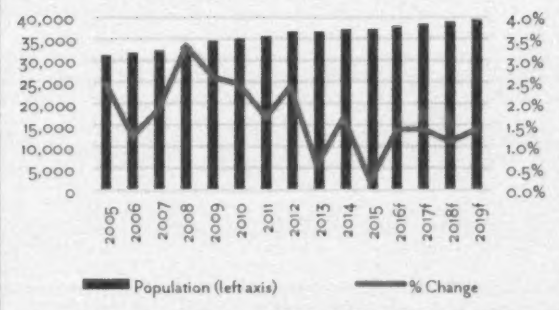
- Revised estimates from Statistics Canada note a second straight decline in 2015 in Yukon's real GDP by industry, with the estimate of $2.193 billion representing a 6.0% contraction from 2014.
- Growth in mineral production in 2016 is expected to contribute to real GDP gains, with forecasted growth of 4.6%.
- The medium term outlook is mixed, with 2017 and 2018 remaining flat, followed by real GDP growth in 2019.

Slow and steady population growth

The population is estimated to have grown for the 13th consecutive year in 2016. The annual population[11] of 37,858 was up 1.4% from 37,343 in 2015.

Whitehorse[12] – at 29,258 – accounted for more than 77% of Yukon's total population in 2016. Serving as Yukon's primary goods and services hub, population gains in Whitehorse have accounted for the majority of Yukon's recent population gains. Growth in the Whitehorse population of 386 in 2016 represented 75% of the total gains of 515.

Figure 4 - Yukon Population (June)



Of the remaining Yukon communities, eight were noted as recording population gains in 2016, led by Dawson City, which added 91 people, and Teslin, which grew by 27. Of these communities, only two had populations above 1,000, Dawson City at 2,158 and Watson Lake at 1,460.

Buoyed by a resilient local labour market and expectations of further mining development, the population is expected to continue to grow. The current outlook[13] is for population to grow by a further 1.4% in 2017 followed by growth of 1.1% in 2018 and 1.4% in 2019, bringing Yukon's population to more than 39,300 in 2019.

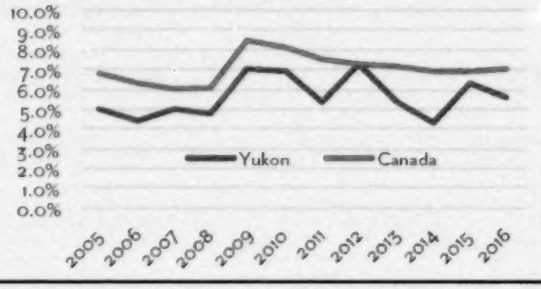
Outlook for Population

- Population is estimated to have grown for the 13th consecutive year in 2016, up 1.4% from 2015.
- Continued population growth is projected in the current outlook, with Yukon's population topping 39,300 by 2019.

Continued strength in the labour market

Yukon's labour market has generally performed well in recent years, with the unemployment rate tracking below the national average for over a decade. During this time, record levels of employment and labour force have been recorded with Yukon's unemployment rate among the lowest in the country.

Figure 5 - Average Annual Unemployment Rate

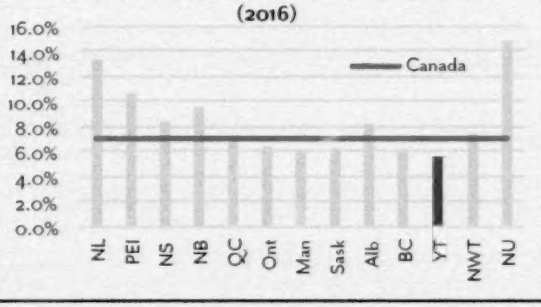


Preliminary data from Statistics Canada[14] suggests that Yukon's labour market remained healthy in 2016, outperforming the previous forecast from May 2016.

Both employment and the labour force were up in 2016 with employment averaging 20,200, up 4.1%, and the labour force averaging 21,400, up 3.4%. As growth in employment outpaced labour force gains, the unemployment rate declined to 5.6%, down from 6.3% in 2015.

At 5.6%, Yukon's unemployment rate was well below the Canadian average, and the lowest of all the provinces and territories.

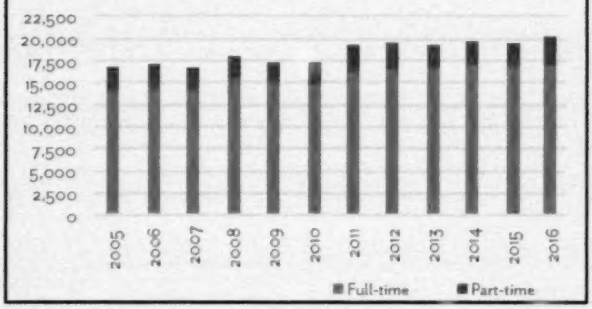
Figure 6 - Average Annual Unemployment Rate (2016)



Beyond having the lowest unemployment rate in the country, data for 2016 also shows that Yukon has a higher proportion of workers employed full-time, versus part-time. Last year, there were 17,100 (85.1%) full-time workers and 3,000 (14.9%) part-time workers in Yukon. At 14.9%, Yukon's proportion of part-time workers was the third lowest in the

country, behind NWT (12.4%) and Nunavut (12.6%). The highest proportion of part-time workers in Canada was in B.C. (21.7%).

Figure 7 - Full-time and Part-Time Employment



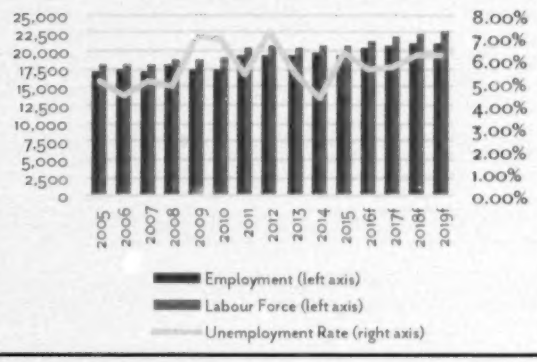
Source: Department of Finance; Statistics Canada

Nationally, the proportion of full-time workers was 80.8%. Since 2002, Yukon's proportion of full-time workers has been higher than of Canada as a whole. Over the 2002 to 2016 period full-time employment in Yukon accounted for an average 85.4% of total employment, while nationally, an average of 81.1%.

Yukon's labour market is expected to continue to perform well in 2017, with forecasts of gains for both employment and the labour force. The current forecast is for employment to grow 2.2% to 20,600, with the labour force growing 2.3% to 21,900. With labour force growth expected to be slightly stronger than employment growth, the unemployment rate is expected to see a slight uptick to 5.7%.

The medium term outlook is also generally positive for Yukon's labour market, with gains expected in employment and the total labour force in both 2018 and 2019.

Figure 8 - Labour Market



Source: Department of Finance; Statistics Canada

By 2019, Yukon employment is projected to be 21,100, with a total labour force of 22,500, resulting in an unemployment rate that continues to be relatively low at 6.2%.

Medium term employment gains are generally expected to be broad based, with gains in a number of key industry classifications[15], including Transportation and Warehousing, Trade, and Professional, Scientific and Management.

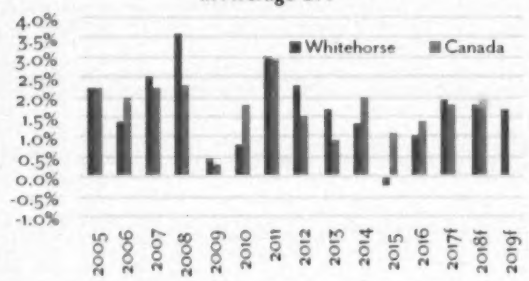
Outlook for Labour Market

- Yukon's labour market continued to perform well in 2016 with gains in both employment and the labour force, contributing to a notable decline in the unemployment rate to 5.6%, the lowest in the country.
- The medium term outlook for Yukon's labour market is positive, with gains in employment and the labour force forecast in 2017, 2018 and 2019 and an average unemployment rate of 6.0% over those three years.

CPI edging upward after a 2015 decline

The annual change in the Whitehorse[16] CPI, often used as an indicator of local price inflation, has generally been low in recent years. From 2000 to 2015, the annual change in the Whitehorse CPI averaged about 1.7%, below the 2.0% average for Canada over the same period.

Figure 9 - Annual % Change in Average CPI



Source: Department of Finance; Statistics Canada; Bank of Canada

Following deflation in 2015, the Whitehorse CPI increased by 1.0% in 2016. Notable gains were recorded in Clothing and Footwear (2.8%), Alcoholic Beverages and Tobacco Products (2.4%), Household Operations, Furnishings and Equipment (2.0%) and Health and Personal Care (1.7%).

Countering some of the growth in 2016 was a reduction in CPI for the Energy component (down 5.7%). The Energy component includes Gasoline, which was down 3.2%. This decline is supported by a 2.9% annual decline in the average price of regular unleaded self-service gasoline in Whitehorse in 2016.

Expectations are for the Whitehorse CPI to increase by 1.9% in 2017, little changed from the May 2016 forecast of 2.0%, and near the Bank of Canada's forecast[17] of 1.8% for Canada in 2017. The Bank's January 2017 *Monetary Policy Report* notes upward pressure on consumer energy prices in 2017, stemming from higher commodity prices and new regulations related to carbon use, but this will be more than offset by falling food prices and excess capacity in the Canadian economy.[18]

Beyond 2017, the outlook is for similar levels of growth in the Whitehorse CPI with gains of 1.9% and 1.7% in 2018 and 2019, respectively.

Outlook for CPI — CPI

- Following deflation in 2015, the Whitehorse CPI grew at a modest 1.0%in 2016.
- Moderate growth of the Whitehorse CPI is expected with annual growth to average 1.8% over 2017 to 2019.

Sector performance varies

Mining to pick up steam in 2018, 2019

Mining related activities have been a key driver of Yukon's economic performance with annual gains and contractions, particularly of GDP, often explained by what is happening in the mining sector.

Following a period of high levels of development and exploration spending where three mining projects were brought into production, lower mineral prices in recent years have contributed to decreased spending and mine closures.

Yukon's mining sector will continue to play a prominent role in Yukon's economy in the medium term, with the current outlook for real GDP tied to expectations for the mining sector.

Mineral exploration driven by prices

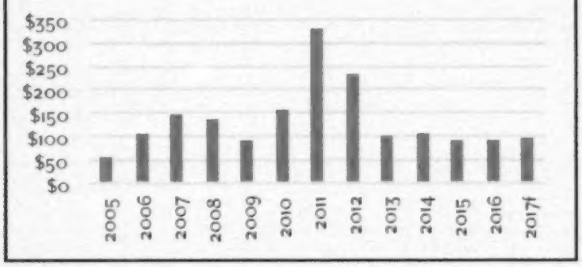
The fortunes of Yukon's mining sector are invariably linked to the performance of mineral prices, in particular the price of gold. As gold prices saw a rapid run-up, reaching all-time highs in 2012, record annual levels of exploration spending were noted in Yukon.

Following the peak in 2012, gold prices fell in each of the next three years, contributing to notable declines in mineral exploration expenditures. Lower prices made it more difficult for mining companies, particularly junior mining companies, to raise capital to finance exploration activities. With much of the exploration undertaken in Yukon completed by junior miners, this contributed to a dramatic decline in annual exploration expenditures.

Prices for metals of interest for Yukon recovered somewhat in 2016. The average price of gold was up 7.6% from 2015 and silver prices increased by 9.1% in 2016. Copper prices, while down overall in 2016, saw significant gains in the last two months of the year.

Natural Resources Canada's (NRCAN) latest *Survey of Mineral Exploration, Deposit Appraisal and Mine Complex Development Expenditures*, released in February 2017, estimates that exploration spending[19] decreased to $87.9 million in 2016, down from $92.2 million in 2015.

Figure 10 - Mineral Exploration Expenditures ($ millions)



Source: Department of Finance; Natural Resources Canada

Recent years have seen a shift from a greater proportion of spending on exploration[a] activities to more spending on deposit appraisal[b] work. NRCAN's spending estimate for 2016 includes an estimated $38.2 million related to deposit appraisal and the remaining $49.6 million for exploration. At $38.2 million, spending on deposit appraisal accounted for almost 44% of the total spending figure, much higher than during the last exploration boom (2010/12) which saw the share of deposit appraisal spending at about one-quarter[c] of the total. Spending intentions for 2017[20], as compiled by NRCAN, have exploration spending in Yukon increasing for the first time since 2014. While remaining well below the robust spending of the 2010/12 period, anticipated spending of $94.1 million in 2017 would represent an increase of 7.1% from 2016.

An improved outlook for the global mining community, based in part on improved outlooks for global growth and growth in key countries, is fueling hope of increased demand for minerals. Spending by Goldcorp. Inc., owner of the Coffee property, is expected to account for almost a third of total spending in 2017.

Mineral development spending remains low, but is expected to pick up

With no mines in development, expenditures on development remain modest, averaging less than $20 million over the last three years. Estimates from NRCAN have development expenditures in 2016 at just under $12 million, up slightly from $10 million in 2015. Spending by GoldCorp Inc. on its Coffee property accounted for much of the spending in 2016. NRCAN's forecast for 2017 anticipates spending will increase to more than $28 million, similar to what was recorded in 2014.

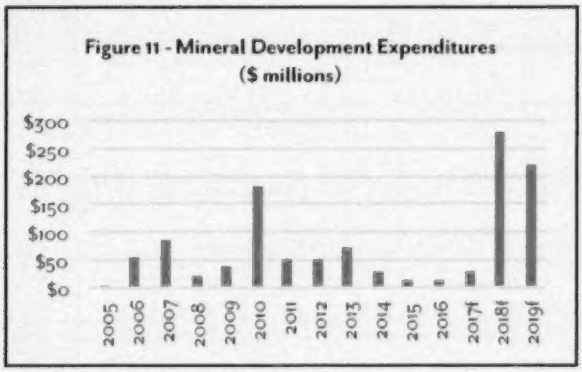
Development spending related to Victoria Gold Corp's Eagle Gold project and the Coffee project account for almost all of the spending expected in 2017.

The current forecast includes the development of the Eagle Gold and Coffee projects, which would result in significant development expenditures over 2018 and 2019, estimated at almost $500 million.

[a] Defined as the search for, discovery and first delimitation of a previously-unknown mineral deposit, or a re-evaluation of a deposit to enhance its potential economic interest.

[b] Defined as the steps undertaken to bring a delimited deposit to the stage of detailed knowledge required for a complete feasibility study that will fully justify and support a production decision and the large investment required.

[c] $40.7 million (26%) in 2010, $76.0 million (23%) in 2011 and $52.9 million (23%) in 2012.



Source: Department of Finance; Natural Resources Canada

The Eagle Gold project is fully permitted and is currently looking to secure financing to begin construction[21]. Development costs are estimated at about $370 million, with John McConnell, President and CEO of Victoria Gold noting publically that the company will need US$300 million to begin construction.[21] In January 2017, it was announced that a major French bank, BNP Paribas had committed US$220 million in financing for the project, and that with Victoria Gold having US$40 million of its own money, they were looking to raise the remaining US$40 million.

The Eagle Gold mine is projected to have a ten-year lifespan with production of almost 1.9 million ounces of gold over that period. It is anticipated that the project would employ 350-400 people annually during operation.

GoldCorp Inc. submitted a proposal for the Coffee project to the Yukon Environmental and Socio-economic Assessment Board (YESAB) on March 31, 2017.[22] Mine General Manager, Buddy Crill, suggested that construction could begin as early as 2018 with the project producing for 12 years. Timeline in a GoldCorp presentation from February 2017 shows development beginning in the third quarter of 2019 and continuing through to the end of 2020.[23] Crill also noted that construction would support 400 jobs, and the mine would employ 320 people annually during operation.[24]

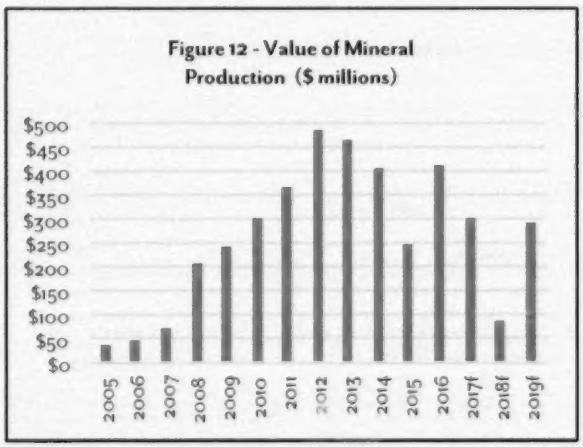
Mineral production to dip in 2018

After reaching a peak in 2012, lower mineral prices and lower annual production contributed to declines in 2013, 2014 and 2015. Closures of the Bellekeno mine in September 2013 and the Wolverine mine in January 2015 account for much of the recent decline.

Production increased markedly in 2016 on the strength of higher production from the Minto mine as well as increased placer gold production. The addition of production from the Minto North pit contributed to significant production gains at the Minto mine. Preliminary estimates from NRCAN have 2016 mineral production at more than $409 million, up 66% from $246 million in 2015.

Looking to 2017, expectations for metal prices are mixed. While the outlook for base metals such as copper, zinc, lead and nickel are for growth, the outlook is for a retreat in gold and silver prices. In terms of production, expectations are for underground mining at Minto to continue into early Q4, after which the mill will process stockpiled material, with milling currently scheduled to run at full capacity until the end of 2017.

The value of mineral production in 2017 is expected to be down significantly, in the area of $300 million.



Source: Department of Finance; Natural Resources Canada

Placer gold mining continues to make significant contributions to Yukon's mining sector, supporting local employment and accounting for a significant portion of annual mineral production. In 2016, there were an estimated 170 placer mine sites that directly employed about 700 people.[25] In terms of production, after averaging near $70 million annually from 2012 to 2015, the value of placer gold production is estimated at about $90 million in 2016. Estimated at about 70,000 crude ounces in 2016, placer gold production would be the highest since 2004. Placer gold production in 2017 is expected to be similar to the level of production in 2016.

With the Minto mine expected to cease operations in late 2017, mineral production is expected to decline dramatically in 2018, falling below $100 million, with placer gold accounting for most of the value. There is some upside risk in 2018 as Capstone Mining has indicated that they are continuing to review the economics of additional mining which could extend into 2018 and beyond.[26] An additional few months of production in 2018 could boost GDP growth by 1-2%.

With first production from the Eagle Gold project expected in 2019, the value of mineral production is expected to approach the current forecast for 2017.

While not included in the forecast, there is upside risk related to the development of the Kudz Ze Kayah mine, a zinc, lead, copper, gold and silver project. On March 27, 2017 YESAB indicated that BMC Minerals Ltd. had submitted a project proposal and that a 60 day adequacy review of the project had begun. BMC has publically indicated intentions to have a final decision to proceed with construction in late 2019, with commissioning of the mill to begin in late 2021 with commercial production in 2022. The project calls for a two-year construction period at a cost more than $420 million. The project would employ about 400 people during construction and support approximately 400 jobs annually during operations.[27]

Outlook for Mining

- Exploration spending in 2017 is expected to be the highest since 2014, increasing 7.1% from 2016.
- Development expenditures are expected to be down in the short term, but development of the Eagle Gold and Coffee projects is expected to boost development going forward.
- Lower production from the Minto mine is the primary contributor to a decline in mineral production in 2017. With Minto expected to cease operations in late 2017, the value of mineral production is expected to dip in 2018, before Eagle Gold production begins in 2019.

Energy potential abounds

A growing population, a desire for less reliance on imported fuels, and interest in exploring options to provide energy to potential mining projects are all contributing to the ongoing exploration of local options of energy production.

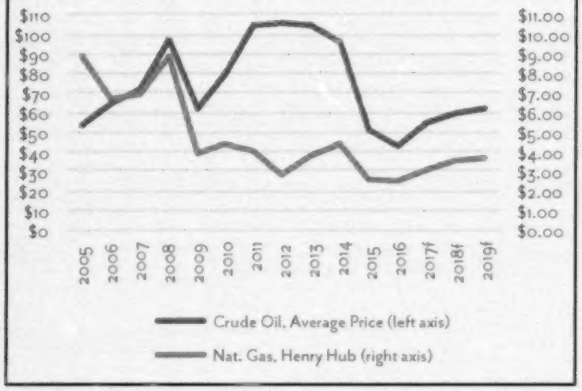
Yukon has been investigating options for renewable power, including development of a biomass energy strategy for district and home heating and an Independent Power Production policy, including a micro-generation program allowing individuals to produce and sell electricity to the grid. The government's platform also committed to explore options for expansion of renewable energy sources.

Oil and Gas

While there has been no commercial hydrocarbon production in Yukon since production ceased at the Kotaneelee field in the Liard Basin in September 2012, there is significant hydrocarbon potential in the territory,

both onshore and offshore. Yukon's onshore sedimentary basins contain an estimated 14.77 trillion cubic feet (Tcf) of conventional natural gas and 663 million barrels (MMbbls) of conventional oil. Offshore conventional resources in the Beaufort Sea include an additional estimated 40 Tcf of natural gas and 4,500 MMbbls of oil.

Figure 13 - Oil (U.S.$/bbl) and Gas Price (U.S.$/MMMBTU)



Source: World Bank

Interest has also been shown in the hydrocarbon potential of the Kandik and Eagle Plain sedimentary basins in Northern Yukon. The fall 2016 Request for Postings closed on July 13, 2016, and the Yukon Government received 15 requests for oil and gas rights located in the Kandik (13) and Eagle Plain (2) oil and gas basins. Consultation with affected First Nations and a review by government departments is currently being conducted and will be followed by a 60-day public review process.

Concerning Yukon's offshore resources in the Beaufort Sea, in December 2016, Canada designated all Arctic waters as indefinitely off limits to oil and gas licensing, to be reviewed every five years through a climate and marine science-based life-cycle assessment. Existing rights holders can continue to apply for and acquire licenses to undertake oil and gas activity, however, offshore rights will be indefinitely off-limits in the Beaufort Sea (to be reviewed every five years).[28] There will be no call for nominations during that time period.

Potential exists for development of local natural gas resources for both export and domestic use. Domestic production could help provide power for future mining projects; there has been interest in the potential of using LNG for the purposes of powering some operations, creating further interest.

Renewable Energy

As well as hydrocarbon, significant geothermal potential has been identified in Yukon. A report released by the Canadian Geothermal Energy Association[29] in 2016 noted that Yukon's geothermal energy potential could be more than 1,700 MW of energy, or about 18 times the current energy supplied by Yukon's renewable electrical system. There has also been recent discussion about drilling test wells to assess geothermal capacity in specific areas.[30]

Hydro generation accounts for almost 95% of Yukon's total annual electricity generation and expansion of hydroelectric capacity is expected to continue in partnership with First Nations, along with considering smaller hydroelectric sites and exploring other forms of renewable energy. Some local efforts are already underway, with a solar project in Old Crow nominated for an Arctic Inspiration Prize[31], given to projects with real-world applications that benefit the Canadian Arctic.

Outlook for Energy

- Yukon has significant energy potential from a variety of sources. Development of these resources would provide a boost to Yukon's economic prospects, both with an increase to GDP and by improving energy security in the territory, building a stable foundation for future development and potentially higher energy needs.

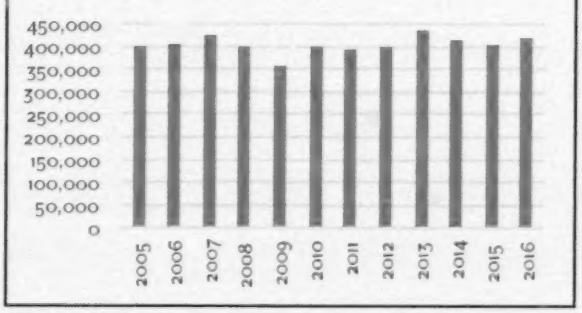
Tourism performing well

Tourism activities have long been an important contributor to Yukon's economy, often acting as a stabilizing force during times when the mining sector has struggled. Tourism-related activities add to the diversity of the local economy, help promote the territory, and support employment across a wide variety of local goods and services providers. Retailers, grocery stores, restaurants, accommodations providers, providers of sports and recreational activities and providers of arts and culture all benefit annually from the activities of visitors to the territory.

Tourism activities overlap a number of industries, making it difficult to determine the overall economic contribution. Accommodations & Food Services, Retail Trade and Transportation & Warehousing are three industry classifications where tourism activities are reflected strongly. In the 2015 Yukon Business Survey, Yukon businesses estimated that $226.9 million of their gross revenue in 2014 was attributable to tourism; based on these revenues, total GDP contribution of tourism is estimated at $95.9 million, almost 4% of Yukon's total GDP in 2014.[32]

While an imperfect indicator of tourism performance, international border crossings have often been used as a performance measure for Yukon's tourism sector. Based on reporting from the Canada Border Services Agency (CBSA), Statistics Canada reports that total international travellers[33] to Yukon numbered 419,244 in 2016, an increase of 14,124 (3.5%) from 2015. Since falling to below 360,000 in 2009 during the height of the last global economic downturn, the number of international travellers to Yukon has averaged more than 409,000 annually.

Figure 14 - Number of International Travellers



Source: Statistics Canada

The proportion of non-resident travellers is very stable from year to year, at about 80% of all travellers annually. In 2016, non-resident travellers totaled almost 346,000, or 79.7% of the total number of international travellers.

Looking only at the number of international travellers does not provide a complete picture of Yukon's tourism performance, and only when examining other indicators and data sources can one get a better understanding of how the sector is performing. Other indicators also suggest that 2016 was a solid year for Yukon's tourism sector:

- Air arrivals at Erik Nielsen Whitehorse International Airport in 2016 were up 8.6% from 2015, with almost 170,000 passengers arriving at the airport[34] – the third consecutive annual increase recorded.
- The Canadian Tourism Research Institute (CTRI) estimates that tourism spending in Yukon rose by 7.0%, including an estimated 6.0% increase in spending by domestic tourists and a 7.6% increase in spending from international travellers. Tourism sector revenues in Yukon are estimated to have increased by 5.1% in Yukon in 2016 – third highest in Canada, behind only B.C. (6.5%) and P.E.I. (5.4%), and 1.2 percentage points higher than the national average.
- Also from CTRI, the growth in revenue from what was classified as tourism activity (6.4%) outpaced

that from non-tourism (local) activity (4.0%) for Yukon.

- CTRI's most recent Travel Markets Outlook[35] notes that overnight visitation of about 322,000 was up 5.2% from 2015, with growth coming from all areas, domestic (up 3.3%), U.S. (up 5.0%) and overseas (up 7.6%).
- Related expenditures are also noted as being up in 2016, with spending associated with these overnight visits increasing 6.7% to $303 million – the fourth highest increase in Canada, behind only P.E.I. (10.1%), B.C. (8.4%), and Ontario (7.0%).
- For both overnight visitation and the spending associated with these stays, Yukon's gains outpace Canadian growth of 3.0% and 6.1% for both measures, respectively.

Looking forward, a number of factors have the potential to affect Yukon's tourism sector, including the performance of the Canadian dollar, gasoline prices, and geopolitical concerns.

After averaging just over US$0.75 in 2016, expectations are for a further decline in 2017 to about US$0.73. The persistence of a weaker Canadian dollar makes visitation to Yukon relatively more affordable for U.S. and some overseas visitors, potentially contributing to increased visitation and spending in 2017, as well as giving Canadians an incentive to travel within Canada, as the cost of international travel becomes relatively more costly.

Weakness in oil prices has contributed to lower gasoline prices in the last two years, but oil prices are expected to increase in 2017, putting upward pressure on gasoline prices. With many visitors to Yukon arriving by car (particularly from the U.S.), this could have a negative impact on Yukon's largest source of visitors. Higher fuel prices could also be passed along to customers in the form of higher costs for motorcoach and air travel to Yukon, which could also dampen visitation in 2017.

Geopolitical uncertainty, particularly that associated with potential policy decisions of the new U.S. administration, could impact travel in the near term. Recent policy direction, in the areas of immigration, trade of goods and services and restrictions on travel from certain countries to the U.S., has created significant concern in other countries and may deter travel to the U.S. This, along with Canada's reputation as a safe travel destination resonating with overseas travellers, could bode well for travel to Canada, and possibly Yukon.

CTRI's latest Travel Markets Outlook suggests that 2017 will be another positive year for Yukon's tourism sector. The CTRI forecast has total overnight visits at about 331,000, up 3.0%. Growth is noted in all areas with the strongest gains in overseas visitation, expected to increase 5.1% to 56,000, which may in part be fuelled by the current uncertainty regarding policy direction in the U.S. Expenditures by overnight visitors are forecast to increase 5.9% to $321 million, but some of these increases are price-related, as a significant increase in the travel price index in 2017 is noted.

Looking beyond 2017, CTRI forecasts increased overnight visitation and associated expenditures in every year out to 2020. Growth is reported in domestic, overseas and U.S. visitation, with the strongest gains noted in oversea visitation.

Outlook for Tourism

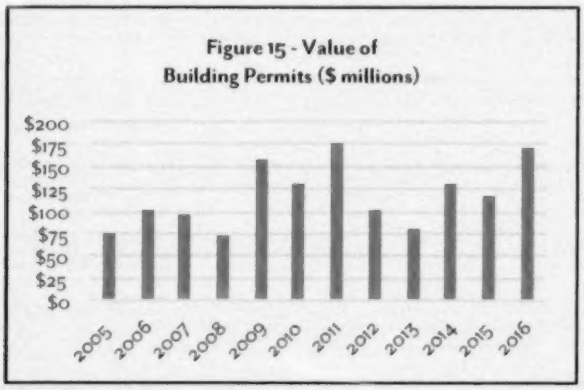
- Indications are that 2016 was another positive year for Yukon's tourism sector with growth noted in the number of international travellers and tourism-related spending and revenues.
- Expectations are that the near term will build on recent positive results.

Construction gains with public sector spending

Given the relatively small size of Yukon's economy, construction of a school or hospital, development of a new retail store or mine development activities can have a large impact on the territory's GDP. Forecast for the construction sector incorporates planned government capital spending in the 2017/18 Budget, which can have a significant effect in an economy as small as Yukon's.

While not all construction activity requires a building permit, the value of building permits can provide valuable information about the performance of the construction sector and is a commonly used indicator of performance.

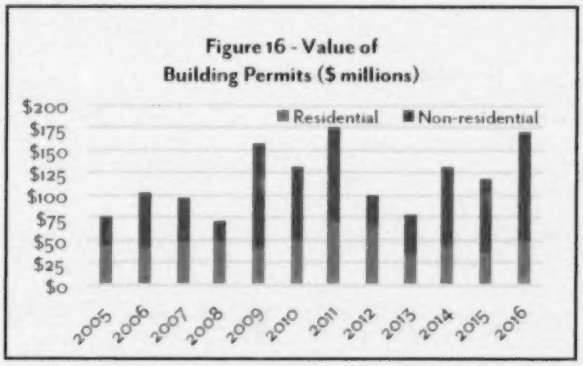
Following a 9.7% contraction in 2015, the value of building permits in 2016 are reported as growing 45.1% to almost $171 million, the highest value since 2011.



Source: Department of Finance; Yukon Bureau of Statistics

While gains were noted in both residential and non-residential permit value, the majority of the gains were on the non-residential side.

The value of non-residential permits increased substantially in 2016, up 49.0% to $121.7 million. Non-residential permits continued to account for the majority of building permit value, representing over 71% of the annual total. Since the start of 2010, non-residential building permit value has accounted for 61% of the total of almost $910 million.



Source: Department of Finance; Yukon Bureau of Statistics

Contributing to the increase in non-residential permits in 2016 was strong growth in the value of government/ institutional permits, up 68.9% to $91.0 million. Commercial permit value also grew in 2016, totalling $30.7 million, up 13.7% from 2015. Countering a portion of the gains was a small decrease in industrial permit value, which fell from $769,000 in 2015 to $0 in 2016.

The value of residential permits also posted strong growth in 2016, up 36.3% to $49.2 million. For the period 2010 to 2016, residential building permits accounted for 39% of building permit value, totalling more than $350 million.

Public sector investment has historically been a prominent driver of construction activity in Yukon. Capital spending by the Government of Yukon is estimated at $306.6 million in 2016/17, up from spending of $238.5 million in 2015/16. Prominent projects that contributed to this spending[26] include:

- Continued work on a 150-bed continuing care facility in Whitehorse ($42.7 million);
- $60 million related to transportation infrastructure, including more than $38 million on improvement and rehabilitation of Yukon highways, $4.3 million for various bridge work, and almost $4.1 million for work on Yukon airports;
- Emergency department expansion and MRI at the Whitehorse General Hospital ($22.0 million);

- Further work on the new Salvation Army building in Whitehorse ($10 million);
- Work on phase 3 of the Whistle Bend sub-division ($9.8 million);
- Activities related to investing in affordable housing ($9.4 million);
- Continued work on the replacement of the Sarah Steele alcohol and drug detox centre ($8 million);
- Activities related to the continued replacement of the old F.H. Collins school in Whitehorse ($5.1 million) as well as construction of the new school's technical education wing ($3.5 million);
- Archives Vault Expansion ($5.6 million); and
- Replacement of fire hall in Carcross ($2.6 million).

Construction activity in 2017 will be driven in large part by capital projects identified in the 2017/18 Government of Yukon budget, which notes $309.4 million in capital spending[37]. Key projects in the latest budget include:

- Further work on the continuing care facility in Whitehorse ($68.5 million);
- More than $57 million related to transportation infrastructure, including more than $36 million for improvement and rehabilitation of Yukon highways, $15.3 million for various bridge work, and almost $6.5 million for work on Yukon airports;
- $30.3 million for work in various Yukon communities to improve sewage and wastewater services including Whitehorse ($4.1 million), Haines Junction ($3.3 million), Ross River ($3.0 million), Old Crow ($3.0 million), Mayo ($2.9 million), Watson Lake ($2.8 million), Carcross ($2.8 million) and Dawson City ($2.2 million);
- Emergency department expansion and MRI at the Whitehorse General Hospital ($17.8 million);
- Work associated with phases 3 ($9.8 million) and 4 ($14.3 million) of Whistle Bend;
- Activities related to construction of a new Francophone school in Whitehorse ($8.0 million);
- Activities related to investments in affordable housing ($6.9 million);
- Upgrades to the MacBride Museum (total project cost of $6 million shared between Yukon and federal governments);
- Activities related to demolition ($2.9 million) of the old F.H. Collins and development of the track and field and recreation site ($2.0 million); and
- Construction of 6-plex residential building in Ross River ($2.4 million).

Beyond capital spending by the Government of Yukon, the City of Whitehorse's building consolidation project is a large capital project that will impact the local economy in 2017. The City of Whitehorse's Capital Budget 2017/20 notes total investment in this project of $45 million, with more than $39 million budgeted to be spent in 2017. Driven by spending associated with the consolidation project, the City's total capital budget of $46.6 million in 2017 is well above estimated capital spending of just under $16.2 million in 2016.

Local construction activity will continue to be supported primarily by public spending, particularly on key infrastructure such as highways, water and sewage services, hospitals and schools. The development of new mining projects, as noted in the discussion of mining, could also result in substantial levels of private sector spending locally and has the potential to positively impact Yukon's construction industry in the medium term.

Outlook for Construction

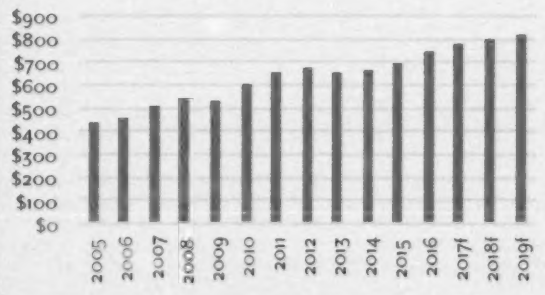
- The 2017/18 Government of Yukon Budget notes capital spending of about $310 million, up from estimated spending of $306.6 million in 2016/17.
- Spending identified in the most recent budget will support a number of local construction projects.
- Development of new mines in the medium term could result in substantial construction related spending in 2018 and 2019.

Strong gains in retail trade

Yukon's retail sales have recently been strong, with increasing population, robust employment numbers and growing household incomes contributing to higher sales.

Retail sales for Yukon are estimated to have grown for a third consecutive year in 2016, with more than $740 million in sales, a 7.0% increase from $692 million in 2015.

Figure 17 - Value of Retail Sales ($ millions)



Source: Department of Finance; Yukon Bureau of Statistics

Of the total annual increase of more than $48 million, almost one third of the increase was a $14.8 million increase in sales from Gasoline Stations. Much of the remaining increase falls within industry classifications with some data suppressed[25] in the last two years. These industries represent more than 76% of the total retail sales reported for 2016 with sales from *Motor Vehicle and Parts Dealers* accounting for more than 23% of that value. While the value was suppressed in 2016, historical data suggests that *Food and Beverage Stores* would likely represent 35-40% of the total value of retail sales.

For all categories without data suppression in the past two years, reported sales increased in 2016. Reported sales for *Gasoline Stations* increased 13.8% to $122.6 million. Sales from *Health and Personal Care Stores* changed little in 2016, with the estimated value of $37.7 million up slightly from $37.5 million in 2014. *Furniture and Home Furnishings Stores* sales of $14.2 million in 2016 were up 10.2% from 2015.

Supported in part by the expectation of population gains, retail sales are anticipated to grow in the medium term. Retail sales are forecast at nearly $780 million in 2017, with further gains in the following two years, totalling almost $820 million in 2019.

Outlook for Retail Trade

- Retail sales grew for a third consecutive year in 2016, increasing 7.0% to more than $740 million.
- Expectations are for further growth in Yukon retail sales in each of the next three years, bringing the value of retail sales to over $817 million by 2019.

ASSUMPTIONS AND RISKS

As noted at the beginning of this document, forecasts are developed based on the best information available at the time and on the assumptions deemed most realistic. The following highlights some of the key assumptions that helped to shape the current forecast.

Mineral Production – In recent years, Yukon's real GDP performance has been driven by mineral production, and this remains the case for this forecast. Higher production from the Minto mine was a key driver of growth in 2016, and expectations of lower annual production in 2017 and 2018 explain much of the expected weakness in GDP during those years. The development of other mining projects, such as the Eagle Gold and Coffee mines, would also impact Yukon's economic fortunes beyond 2017.

Commodity Prices – Where available, World Bank metal price forecasts are used. If not available, forecasted growth of similar products is applied to historical data to develop a forecast. For energy prices, the U.S. Energy Information Administration's (EIA) long term forecast is used, adjusted in the near term for their short term forecast. Forecasts may be adjusted with reference to other prominent energy forecasts (e.g. Sproule, a leading global petroleum consultant).

Exchange Rates and Interest Rates – Exchange and interest rate forecasts are generated by a Yukon macroeconomic model used to develop this forecast. U.S. interest rates come from publically available sources (e.g. the Organization for Economic Co-operation and Development, or OECD).

Economic Forecasts – The US Energy Information Administration's (EIA) long term forecast is used for U.S. GDP growth, adjusting the short term based on the latest consensus forecast from the survey of professional forecasters of the Federal Reserve Bank of Philadelphia. For other major trading partners the current OECD forecast is generally used.

Capital Spending – As spending on large capital projects can impact GDP growth, this forecast is aligned with planned upcoming projects (based on information available), including the Government of Yukon's capital plan and the City of Whitehorse's current capital budget. Examples of prominent projects considered in this forecast include the City of Whitehorse Municipal Building and the Whistle Bend Extended Care Facility. Spending related to the development of the Eagle Gold and Coffee mines are also key drivers of the real GDP forecast beyond 2017.

Government – this economic forecast incorporates the government's planned spending as outlined in the 2017/18 Budget. Public sector spending has a significant economic impact in a small jurisdiction such as Yukon, so any changes in the rate of spending would likely have an impact on a number of economic indicators (including GDP).

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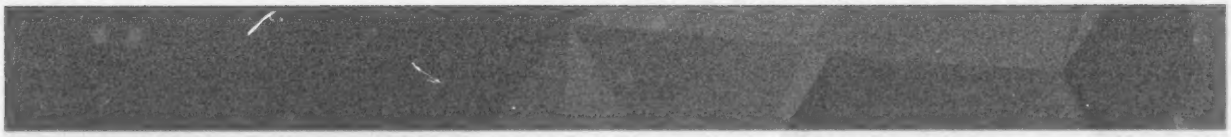
There is always a degree of risk and uncertainty associated with these assumptions, and ultimately the forecast results. Key risks to consider include:

Global Economy – Yukon's economy is tied to the performance of other economies, such as the U.S., China, Canada, and the global economy as a whole. Economic performance elsewhere affects the demand for Yukon goods and services, including minerals and local tourism activities. Recent developments such as the outcomes of the Brexit vote and the U.S. election could have an impact on Yukon's future economic performance.

Metal Prices – Metal prices are determined on the global market and are a key driver of mining activity. During the last global economic downturn, prices for minerals, particularly gold, saw a rapid increase and record highs, spurring interest in Yukon resources and contributing to record levels of exploration spending and substantial development spending (three mines brought into production). Weaker prices since then have contributed to two mine closures and reduced levels of exploration and development spending. Gold and silver prices were higher in 2016 while the price of copper fell. The outlook for mineral prices is mixed, with prices of



gold and silver expected to fall over the forecast period, but prices of base metals such as copper and zinc are expected to increase. Higher or lower prices would likely impact mining activity and ultimately the GDP forecast.

Energy Prices – Oil and gas prices can influence local economic activity, in particular mining sector activity (fuel for project operations and equipment) and tourism (fuel for travelers' vehicles). Fuel prices also affect construction costs and the cost of local purchases, as most goods are transported in from outside Yukon. This forecast notes a decline in oil and natural gas prices in 2016, before annual gains out to 2019. Higher or lower prices than forecast could impact actual results.

Exchange Rates – The Canadian/U.S. dollar exchange rate can affect spending decisions by tourists and investment decisions by resource-based companies. After a decline in the exchange rate in 2016, this forecast projects a further decline in 2017 to be followed by gains in each of the next two years, which would bring the Canadian dollar to US$0.77 in 2019. Variation from the current projections could have an impact on actual results.

Interest Rates – Lower interest rates can contribute to increased investment as the cost of borrowing is reduced, and, conversely, higher interest rates may dampen investment spending. The cost of borrowing in Canada has been low for a prolonged period, with the Bank of Canada's daily overnight target for the bank rate not exceeding 1.0% since January 19, 2009. This forecast assumes that interest rates will remain low over the forecast horizon, but unforeseen increases could affect investment in Yukon.

Population and Labour Market – Population and labour market forecasts include the assumption that the proportion of fly-in/fly-out versus resident workers remains the same for future mining projects as in previous experience. If this proportion were to shift significantly (in either direction), there would likely be an impact on the employment forecast in particular.

KEY ECONOMIC INDICATORS

Indicator	2015	2016	2017f	2018f	2019f
Economic Output					
Real GDP by Industry (2007$ billions)	$2.193 (r)	$2.295 (e)	$2.296	$2.301	$2.361
Annual percent change	-6.0%	4.6%	0.1%	0.2%	2.6%
Population					
Population	37,343	37,858	38,380	38,810	39,360
Annual percent change	0.2%	1.4%	1.4%	1.1%	1.4%
Labour market†					
Labour force	20,700	21,400	21,900	22,300	22,500
Employment	19,400	20,200	20,600	20,900	21,100
Unemployed	1,300	1,200	1,300	1,400	1,400
Unemployment rate	6.3%	5.6%	5.7%	6.2%	6.2%
CPI (Annual % Change)	-0.2%	1.0%	1.9%	1.9%	1.7%
Commodity Prices~					
Gold ($U.S./ounce)	$1,160	$1,249	$1,167	$1,153	$1,142
Silver ($U.S./ounce)	$15.70	$17.15	$16.70	$16.60	$16.60
Copper ($U.S./pound)	$2.50	$2.21	$2.49	$2.54	$2.59
Zinc ($U.S./pound)	$0.87	$0.95	$1.22	$1.27	$1.27
Oil – WTI ($U.S./barrel)	$48.67	$43.07	$50.66	$53.99	$57.43
Natural Gas – Henry Hub ($U.S./MMBTU)	$2.63	$2.49	$3.27	$3.45	$3.96
Key Rates					
Three month Treasury Bill rate	0.50%	0.50%	0.50%	0.50%	0.50%
Canada/U.S. exchange rate	$0.782	$0.754	$0.733	$0.747	$0.770
Mining					
Value of mineral production ($ millions)	$246.2 (r)	$409.1 (p)	$303.0	$86.0	$291.0
Exploration expenditures ($ millions)	$92.2	$87.9	$94.1	--	--
Development expenditures ($ millions)	$10.0	$11.9	$28.6	$280.0	$220.0
Construction					
Value of building permits ($ millions)	$117.8	$170.9			
Retail Trade					
Value of retail sales ($ millions)	$692.2	$740.5	$777	$792	$818

e = estimate, f = forecast, p = preliminary, r = revised, -- = not available

^CPI increase for Whitehorse only

† = Annual averages rounded to the nearest 100. Totals may not add due to rounding.

~Annual averages

DATA SOURCES FOR KEY ECONOMIC INDICATORS TABLE

Indicator	Source
Economic Output (Real GDP)	Statistics Canada, Yukon Department of Finance
Population	Yukon Bureau of Statistics
Labour Force Indicators	Statistics Canada, Yukon Labour Force Survey, Yukon Department of Finance
Commodity Prices	World Bank, U.S. Energy Information Administration, Yukon Department of Finance
Interest Rates	Bank of Canada, Yukon Department of Finance
Exchange Rates	Bank of Canada, Yukon Department of Finance
Value of Mineral Production	Natural Resources Canada, Yukon Department of Finance
Mineral Exploration Expenditures	Natural Resources Canada
Mineral Development Expenditures	Natural Resources Canada, Yukon Department of Finance
Permitted Building Construction	Yukon Bureau of Statistics, Yukon Department of Finance
Retail Trade	Statistics Canada, Yukon Department of Finance

ENDNOTES

[1] World Economic Outlook - Update. (January 2017). International Monetary Fund. http://www.imf.org/external/pubs/ft/weo/2017/update/01/pdf/0117.pdf

[2] Caribbean countries, Latin America, Africa, rest of Asia, parts of Eastern Europe (including Baltic states, Russia, and Turkey), Middle Eastern countries excluding Israel, Oceania excluding Australia and New Zealand.

[3] World Economic Outlook - Update. (January 2017). International Monetary Fund. http://www.imf.org/external/pubs/ft/weo/2017/update/01/pdf/0117.pdf

[4] Monetary Policy Report (January 2017). Bank of Canada. http://www.bankofcanada.ca/wp-content/uploads/2017/01/mpr-2017-01-18.pdf

[5] Monetary Policy Report (January 2017). Bank of Canada. http://www.bankofcanada.ca/wp-content/uploads/2017/01/mpr-2017-01-18.pdf

[6] World Bank Commodities Price Forecast (January 24, 2017). World Bank. http://pubdocs.worldbank.org/en/926111485188873241/CMO-January-2017-Forecasts.pdf

[7] MMBTU refers to a million British thermal unit (Btu)

[8] World Bank Commodities Price Forecast (January 24, 2017). World Bank. http://pubdocs.worldbank.org/en/926111485188873241/CMO-January-2017-Forecasts.pdf

[9] Real GDP for 2015 represents the most recent data available from Statistics Canada. It is anticipated that preliminary data for 2016 will be released in May 2017.

[10] "Public Sector" is an aggregation of industry classifications Public Administration, Educational Services and Health Care & Social Assistance.

[11] Population as of June 30th is treated as the annual figure.

[12] Includes City of Whitehorse and surrounding area as well as the community of Marsh Lake.

[13] The outlook for population is based on the population projections produced by the Yukon Bureau of Statistics.

[14] Data is from the Labour Force Survey.

[15] Industry classifications are based on the North American Industry Classification System (NAICS). Business establishments are classified to an industry according to the primary business activity of the establishment.

[16] Consumer Price Index data is only available in Yukon for Whitehorse.

[17] Monetary Policy Report (January 2017). Bank of Canada. http://www.bankofcanada.ca/wp-content/uploads/2017/01/mpr-2017-01-18.pdf

[18] Monetary Policy Report (January 2017). Bank of Canada.
http://www.bankofcanada.ca/wp-content/uploads/2017/01/mpr-2017-01-18.pdf

[19] Exploration and deposit appraisal expenditures include on-mine-site and off-mine-site activities; field work, overhead costs, engineering, economic and pre- or production feasibility studies, environment, and land access costs. Expenditures also include only the search for and appraisal of deposits and do not include work for extensions for known reserves.

[20] Survey of Mineral Exploration, Deposit Appraisal and Mine Complex Development Expenditures (February 2017). Natural Resources Canada.

[21] Victoria Gold reaches tentative financing deal for Eagle Gold mine near Mayo (January 26, 2017). CBC News.
http://www.cbc.ca/news/canada/north/victoria-gold-mayo-mine-financing-deal-1.3953490

[22] Goldcorp showcases Dawson mine project (February 17, 2017). CKRW96.1FM.
http://www.ckrw.com/news/local-news/goldcorp-showcases-dawson-mine-project/

[23] GoldCorp Inc. Corporate Presentation (February 27, 2017).

[24] Goldcorp showcases Dawson mine project (February 17, 2017). CKRW96.1FM.
http://www.ckrw.com/news/local-news/goldcorp-showcases-dawson-mine-project/

[25] Yukon Exploration & Geology Overview 2016. Department of Energy, Mines and Resources.
http://ygsftp.gov.yk.ca/publications/yeg/yeg16/overview/YEG_Overview2016.pdf

[26] Capstone Mining 2017 Operating and Capital Guidance. http://capstonemining.com/news/news-details/2017/Capstone-Mining-2017-Operating-and-Capital-Guidance/default.aspx

[27] Mine would eventually employ 400 people.
http://whitehorsestar.com/News/mine-would-eventually-employ-400-people

[28] http://pm.gc.ca/eng/news/2016/12/20/united-states-canada-joint-arctic-leaders-statement

[29] In partnership with Canadian Northern Economic Development Agency, the Government of Yukon's Department of Energy, Mines and Resources' Energy Branch (the Energy Solutions Centre), Yukon Energy and the Yukon Geological Survey: http://www.energy.gov.yk.ca/pdf/Yukon-Geothermal-Opportunities-and-Applications-Report.pdf

[30] http://www.cbc.ca/news/canada/north/yukon-geothermal-energy-1.4009917

[31] http://www.arcticinspirationprize.ca/finalists/2016finalists.php

[32] Yukon Business Survey 2015. Yukon Bureau of Statistics.
http://www.eco.gov.yk.ca/stats/pdf/2015_Business_Survey_Report.pdf

[33] Cansim Table 427-0001. Statistics Canada.

[34] Department of Tourism and Culture.

[35] Travel Markets Outlook – National Focus (Autumn 2016). Canadian Tourism Research Institute. Conference Board of Canada

[36] Spending figures rounded to the nearest one decimal.

[37] Spending figures rounded to the nearest one decimal.

[38] Data for the following is suppressed, but is included in the total for retail sales: Motor Vehicle and Parts Dealers; Electronics & Appliance Stores; Building Material & Garden Equipment; Clothing & Clothing Accessories Stores Sporting Goods, Hobby, Book & Music Stores; General Merchandise Stores; and Miscellaneous Store Retailers, and Supplies Dealers.